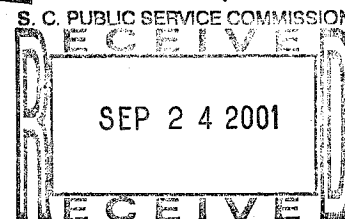


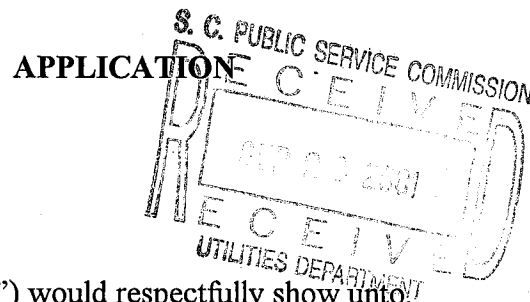
BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA



DOCKET NO. 2000-0210-W/S

IN RE:

Application of United Utility Companies,  
Inc. for adjustment of rates and  
charges for the provision of water  
and sewer service.



United Utility Companies, Inc. ("Applicant" or "Company") would respectfully show unto,  
and request of, the Commission as follows:

**BACKGROUND**

1. Applicant is a corporation organized and existing under the laws of the State of Delaware and authorized to do business in the State of South Carolina.
2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 1998), providing water and sewer service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket Nos. 89-602-W/S, 92-129-S and 92-600-S.
3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representative:**

Mr. Steven M. Lubertozi, CPA  
Director, Regulatory Accounting  
Utilities, Inc.  
2335 Sanders Road  
Northbrook, Illinois 60062-6196

b. **Legal Counsel:**

Mitchell Willoughby, Esquire  
John M. S. Hoefer, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
(803) 252-3300

**REQUEST FOR RATE RELIEF**

4. Pursuant to S.C. Code Ann. §§ 58-5-210 *et seq.* (1976), Applicant requests that the Commission approve the monthly water and sewer service charges set forth in the seven (7) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A".

**SUPPORTING DOCUMENTATION**

5. Applicant proposes a test year of January 1, 2000 to December 31, 2000 and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit "B", pages 1 through 8. These financial statements include the following:

- a. Balance Sheet (Schedule A)
- b. Current and pro forma income and expense statements (Schedule B)
- c. Rate base and rate of return information (Schedule C). See note "C".

Applicant also submits, as Exhibit "B" pages 9 through 11, the following information in support of the Application:

- d. Water and sewer consumption analyses (Schedule D)
- e. Water and sewer proposed revenues (Schedule E)
- f. Schedule of current and projected customers (Schedule F)

6. Attached hereto and incorporated herein by this reference as Exhibit "C" is the most recent approval letter from the South Carolina Department of Health and Environmental Control ("DHEC").

7. Attached hereto and incorporated herein by this reference as Exhibit "D" is the Company's current customer bill form.

8. There is on file with this Commission a performance bond given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2000).

9. A map depicting Applicant's current service area is on file with the Commission.<sup>1</sup>

10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules R. 103-512.4 and R. 103-712.4 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.<sup>2</sup>

#### **NEED AND JUSTIFICATION FOR RATE RELIEF**

11. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, cover its expenses, and be permitted an opportunity to earn a reasonable return on its investment.

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<sup>1</sup>As the Commission is aware, Applicant has pending before the Commission in Docket No. 2001-355-S an application for approval of an expansion of its authorized sewer service territory. The instant Application is intended to apply to the geographic area subsumed within said application for expansion.

<sup>2</sup>Because Applicant utilizes a composite depreciation rate of 1 ½%, no depreciation schedule by categories of plant or average service lives exists. The Applicant will, of course, make available to Commission Staff during its audit copies of the Company's depreciation workpapers.

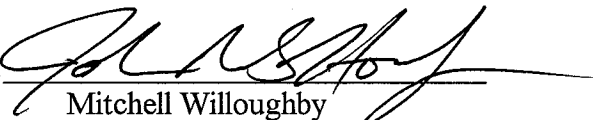
## REQUEST FOR RATE BASE TREATMENT

12. Applicant further submits that given its substantial plant investment, and specifically the rate base reflected on Schedule C of Exhibit "B", Applicant is entitled to have the reasonableness of its proposed rates determined in accordance with the rate of return on rate base methodology. Accordingly, Applicant requests rate base treatment in this proceeding.

**WHEREFORE**, having fully set forth its Application, United Utility Companies, Inc. prays that the Commission approve the rates proposed and grant to Applicant such other and further relief as the Commission may deem just and proper.

Respectfully submitted,

**WILLOUGHBY & HOEFER, P.A.**

By: 

Mitchell Willoughby  
John M. S. Hoefer  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, SC 29202-8416  
(803) 252-3300

Attorneys for United Utility Companies, Inc.

This 24th day of September, 2001.  
Columbia, South Carolina

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**Exhibit "A"**  
**UNITED UTILITY COMPANIES, INC.**

**SCHEDULE OF PROPOSED RATES AND CHARGES**

**WATER**

**1. Monthly Charges**

Residential –

Monthly charge per single-family  
house, condominium, mobile home  
or apartment unit:

\$11.50 per unit

Commodity Charge:

\$4.50 per 1,000  
gallons

Commercial

Monthly Charge

\$11.50 per unit

Commodity Charge:

\$4.50 per 1,000  
gallons

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.

When, because of the method of water line installation utilized by the developer or owner, it is impractical to meter each unit separately, service will be provided through a single meter, and consumption of all units will be averaged; a bill will be calculated based on that average and the result multiplied by the number of units served by a single meter.

**2. Non-Recurring Charges**

A) Water service connection charge per single-family equivalent \$100.00

B) Plant Impact fee per single-family equivalent \$400.00

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the water system is requested.

3. Account Set-Up and Reconnection Charges

- a. Customer Account Charge – for new customers only. \$25.00
- b. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of thirty five dollars (\$35.00) shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-732.5. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly base facility charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Nonrecurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 1/2 %) for each month, or any part of a month, that said payment is late.

6. Tax Multiplier

Except as otherwise provided by contract approved by the South Carolina Public Service Commission, amounts paid or transferred to the utility by customers, builders, developers or others, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property transferred to the utility by customers, builders, developers, or others and properly classified as a contribution or advance in aid of construction in accordance with the Uniform system of Accounts. Included in this classification are water service connection charges and plant impact fees.

7. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

8. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service.

SCHEDULE OF **PROPOSED** RATES AND CHARGES

SEWER

1. Monthly Charges

Residential –

Monthly charge per single-family  
house, condominium, villa  
or apartment unit:

\$53.50 per unit

Mobile Homes – monthly charge:

\$40.00 per unit

Commercial - monthly charge per  
single-family equivalent:

\$53.50

Charge for Sewage Collection Service Only (All Areas)

When sewage is collected by the Utility and transferred to a government body or agency, or other entity for treatment, the Utility's rates are as follows:

Residential - monthly charge per  
single-family house, condominium,  
mobile home, or apartment unit

\$ 27.50 per unit

Commercial - monthly charge per  
single-family equivalent

\$ 27.50

The Utility will also charge for treatment services provided by the government body or agency or other entity. The rates imposed or charged by the government body or agency or other entity providing treatment will be charged to the Utility's affected customers on a pro rata basis, without markup. Where the Utility is required under the terms of the 201/208 Plan to interconnect to the sewage treatment system of a government body or agency or other entity and tap/connection /impact fees are imposed by that entity, such tap/connection/impact fees will be charged to the Utility's affected customers on a pro rate basis, without markup.

Commercial customers are those not included in the residential category above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc.



In the case of a landlord/tenant relationship where the tenant is the customer, the Utility may require the landlord to execute an agreement wherein such landlord agrees to be responsible for all charges billed to that premises in accordance with the approved tariffs and the Rules of the Commission, and said account shall be considered the landlord's and tenant's account. In the event the landlord refuses to execute such an agreement, the Utility may not discontinue service to the premises unless and until the tenant becomes delinquent on his account or until the premises are vacated. The Utility may discontinue service pursuant to R.103-535.1 if the account is delinquent or may discontinue service at the time the premises are vacated and the utility shall not be required to furnish service to the premises until the landlord has executed the agreement, and paid any reconnection charges.

2. Non-recurring Charges

- |  |          |
|--|----------|
| A) Sewer service connection charge per single-family equivalent: | \$100.00 |
| B) Plant Impact fee per single-family equivalent:                | \$400.00 |

The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating of a non-residential customer is less than one (1). If the equivalency rating of a non-residential customer is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. Notification, Account Set-Up and Reconnection Charges

- a. Notification Fee  
A fee of four dollars (\$4.00) shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R. 103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating the cost.
- b. Customer Account Charge: A fee of twenty-five dollars (\$25.00) shall be charged as a one-time fee to defray the costs of initiating service. This charge will be waived if the customer also takes water service.

- c. Reconnection Charges: In addition to any other charges that may be due, a reconnection fee of two hundred fifty dollars (\$250.00) shall be due prior to the Utility reconnection service which has been disconnected for any reason set forth in Commission Rule R. 103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. Customers who ask to be reconnected within nine months of disconnection will be charged the monthly service charge for the service period they were disconnected.

4. Billing Cycle

Recurring charges will be billed monthly in arrears. Non-recurring charges will be billed and collected in advance of service being provided.

5. Late Payment Charges

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half percent (1 1/2%) for each month, or any part of a month, that said payment is late.

6. Tax Multiplier

Except as otherwise provided by contract approved by South Carolina Public Service Commission, amounts paid or transferred to the utility by customers, builders, developers or others, either in the form of cash or property, shall be increased by a cash payment in an amount equal to the income taxes owed on the cash or property transferred to the utility by customers, builders, developers, or others and properly classified as a contribution or advance in aid of construction in accordance with the Uniform System of Accounts. Included in this classification are water service connection charges and plant impact fees.

7. Toxic and Pretreatment Effluent Guidelines

The Utility will not accept or treat any substance or material that has not been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR 129.4 and 401.15. Additionally, pollutants or pollutant properties subject to 40 CFR 403.5 and 403.6 are to be processed according to pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the utility for all damages and costs, including reasonable attorney's fees, incurred by the utility as a result thereof.

8. Construction Standards

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed.

9. Extension of Utility Service Lines and Mains

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to connect to its water. However, anyone or entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to any appropriate connection point, pay the appropriate fees and charges as set forth in this rate schedule, and comply with the guidelines and standards hereof, shall not be denied service.

In no event will the Utility be required to construct additional wastewater treatment capacity to serve any customer or entity without an agreement acceptable to the Utility first having been reached for the payment of all costs associated with adding wastewater treatment capacity to the affected sewer system.

## UNITED UTILITY COMPANIES, INC.

Schedule A

## BALANCE SHEET

Application Exhibit

December 31, 2000

B

ASSETS

## Plant In Service

Water

Sewer

Total

\$ 374,286

2,693,261

\$ 3,067,547

## Accumulated Depreciation-Water

## Accumulated Depreciation-Sewer

Total

(29,066)

(200,818)

\$ (229,884)

## Net Utility Plant

\$ 2,837,663

## Construction Work In Process-Water

## Construction Work In Process-Sewer

Total

0

0

\$ 0

## Current Assets

Cash

Accounts Receivable - Net

Other Current Assets

Total

(75)

90,326

2,290

\$ 92,541

## Deferred Charges

10,220

## TOTAL ASSETS

\$ 2,940,424

## LIABILITIES AND OTHER CREDITS

## Capital Stock and Retained Earnings

Common Stock and Paid In Capital

Retained Earnings

Total

\$ 329,941

(641,493)

\$ (311,551)

## Current and Accrued Liabilities

Accounts Payable-Trade

Taxes Accrued

Customer Deposits

Customer Deposits - Interest

A/P - Assoc. Companies

4,838

1,197

23,294

20,405

1,327,806

Total

\$ 1,377,539

## Contributions In Aid of Construction

Water

Sewer

220,380

1,499,151

Total

\$ 1,719,531

## Accumulated Deferred Income Tax

Unamortized ITC

Deferred Tax - Federal

Deferred Tax - State

156,588

(1,683)

Total

\$ 154,905

## TOTAL LIABILITIES AND OTHER CREDITS

\$ 2,940,424

**Revised schedules “B” and “C”  
of  
Exhibit “B” of the Application**

	Per Books	Pro Forma Adjustments	Pro forma Present	Proposed Increase	Pro Forma Proposed
<u>Operating Revenues</u>					
Service Revenues - Water	\$ 34,212	\$ -	\$ 34,212	\$ 8,938 [a]	\$ 43,150
Service Revenues - Sewer	326,071	0	326,071	285,814	611,885
Miscellaneous Revenues	13,905	0	13,905	0	13,905
Uncollectible Accounts	(11,194)	0	(11,194)	(9,231) [b]	(20,425)
Total Operating Revenues	362,994	0	362,994	285,521	648,515
<u>Maintenance Expenses</u>					
Salaries and Wages	108,006	6,701 [c]	114,707	0	114,707
Purchased Power	43,566	0	43,566	0	43,566
Purchased Sewer & Water	3,503	0	3,503	0	3,503
Maintenance and Repair	141,281	0	141,281	0	141,281
Maintenance Testing	12,314	0	12,314	0	12,314
Meter Reading	0	0	0	0	0
Chemicals	18,109	0	18,109	0	18,109
Transportation	6,809	0	6,809	0	6,809
Operating Exp. Charged to Plant	(13,391)	0	(13,391)	0	(13,391)
Outside Services - Other	7,033	0	7,033	0	7,033
Total	327,232	6,701	333,933	0	333,933
<u>General Expenses</u>					
Salaries and Wages	15,342	2,067 [c]	17,409	0	17,409
Office Supplies & Other Office Exp.	12,796	3,543 [e]	16,339	0	16,339
Regulatory Commission Exp.	0	25,542 [d]	25,542	0	25,542
Pension & Other Benefits	21,053	(3,409) [c]	17,644	0	17,644
Rent	0	0	0	0	0
Insurance	10,613	0	10,613	0	10,613
Office Utilities	7,409	0	7,409	0	7,409
Miscellaneous	253	0	253	0	253
Total	67,466	27,743	95,209	0	95,209
Depreciation	52,371	5,165 [f]	57,537	0	57,537
Taxes Other Than Income	42,418	906 [g]	43,324	884 [g]	44,208
Income Taxes - Federal	(35,859)	(24,273) [h]	(60,132)	91,938 [h]	31,806
Income Taxes - State	726	(10,034) [h]	(9,308)	14,232 [h]	4,924
Amortization of CIAC	(27,356)	(887) [f]	(28,243)	0	(28,243)
Total	32,301	(29,123)	3,177	107,054	110,231
Total Operating Expenses	426,999	5,321	432,319	107,054	539,373
<u>Net Operating Income</u>	<u>\$ (64,005)</u>	<u>\$ (5,321)</u>	<u>\$ (69,325)</u>	<u>\$ 178,467</u>	<u>\$ 109,142</u>
Interest During Construction	(1,991)	1,991 [i]	0	0	0
Interest on Debt	4,601	42,800 [j]	47,401	0	47,401
Net Income	<u>\$ (66,615)</u>	<u>\$ (50,112)</u>	<u>\$ (116,726)</u>	<u>\$ 178,467</u>	<u>\$ 61,741</u>

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<u>Operating Revenues</u>					
Service Revenues - Water	\$ 34,212		\$ 34,212	\$ 8,938 [a]	\$ 43,150
Service Revenues - Sewer			0		0
Miscellaneous Revenues	690		690		690
Uncollectible Accounts	(944)		(944)	(247) [b]	(1,191)
Total Operating Revenues	33,958	0	33,958	8,692	42,649
<u>Maintenance Expenses</u>					
Salaries and Wages	6,383	392 [c]	6,775	0	6,775
Purchased Power	2,706		2,706	0	2,706
Purchased Water	0		0		0
Maintenance and Repair	4,975		4,975	0	4,975
Maintenance Testing	847		847	0	847
Meter Reading	0		0		0
Chemicals	1,071		1,071	0	1,071
Transportation	402		402	0	402
Operating Exp. Charged to Plant	(791)		(791)	0	(791)
Outside Services - Other	415		415	0	415
Total	16,008	392	16,400	0	16,400
<u>General Expenses</u>					
Salaries and Wages	907	121 [c]	1,028	0	1,028
Office Supplies & Other Office Exp.	756	209 [e]	965	0	965
Regulatory Commission Exp.	0	1,510 [d]	1,510	0	1,510
Pension & Other Benefits	1,245	(203) [c]	1,042	0	1,042
Rent	0		0	0	0
Insurance	627		627	0	627
Office Utilities	438		438	0	438
Miscellaneous	15		15	0	15
Total	3,988	1,637	5,625	0	5,625
Depreciation	7,126	(923) [f]	6,203		6,203
Taxes Other Than Income	2,641	59 [g]	2,700	27 [g]	2,727
Income Taxes - Federal	(3,023)	3,528 [h]	505	2,799 [h]	3,304
Income Taxes - State	61	17 [h]	78	433 [h]	511
Amortization of CIAC	(3,616)	(11) [f]	(3,627)		(3,627)
Total	3,189	2,670	5,859	3,259	9,118
Total Operating Expenses	23,185	4,699	27,884	3,259	31,142
Net Operating Income	\$ 10,773	\$ (4,699)	\$ 6,074	\$ 5,433	\$ 11,507
Interest During Construction	(242)	242 [i]	0	0	0
Interest on Debt	419	4,675 [j]	5,094	0	5,094
Net Income	\$ 10,596	\$ (9,616)	\$ 980	\$ 5,433	\$ 6,413

	Per Books	Pro Forma Adjustments	Pro Forma Present	Proposed Increase	Pro Forma Proposed
<u>Operating Revenues</u>					
Service Revenues - Water					
Service Revenues - Sewer	\$ 326,071	\$ -	\$ 326,071	\$ 285,814 [a]	\$ 611,885
Miscellaneous Revenues	13,215		13,215		13,215
Uncollectible Accounts	(10,250)		(10,250)	(8,985) [b]	(19,235)
Total Operating Revenues	329,036	0	329,036	276,829	605,866
<u>Maintenance Expenses</u>					
Salaries and Wages	101,623	6,310 [c]	107,933	0	107,933
Purchased Power	40,860		40,860	0	40,860
Purchased Sewer & Water	3,503		3,503		3,503
Maintenance and Repair	136,306		136,306		136,306
Maintenance Testing	11,468		11,468	0	11,468
Meter Reading	0		0		0
Chemicals	17,038		17,038	0	17,038
Transportation	6,407		6,407	0	6,407
Operating Exp. Charged to Plant	(12,600)		(12,600)	0	(12,600)
Outside Services - Other	6,618		6,618	0	6,618
Total	311,224	6,310	317,533	0	317,533
<u>General Expenses</u>					
Salaries and Wages	14,435	1,945 [c]	16,380	0	16,380
Office Supplies & Other Office Exp.	12,040	3,334 [e]	15,374	0	15,374
Regulatory Commission Exp.	0	24,032 [d]	24,032	0	24,032
Pension & Other Benefits	19,808	(3,206) [c]	16,602	0	16,602
Rent	0		0	0	0
Insurance	9,986		9,986	0	9,986
Office Utilities	6,971		6,971	0	6,971
Miscellaneous	238		238	0	238
Total	63,478	26,105	89,584	0	89,584
Depreciation	45,246	6,088 [f]	51,334		51,334
Taxes Other Than Income	39,777	846 [g]	40,623	857 [g]	41,481
Income Taxes - Federal	(32,836)	(27,801) [h]	(60,636)	89,139 [h]	28,502
Income Taxes - State	665	(10,051) [h]	(9,386)	13,799 [h]	4,412
Amortization of CIAC	(23,740)	(876) [f]	(24,616)		(24,616)
Total	29,112	(31,793)	(2,681)	103,795	101,114
Total Operating Expenses	403,814	622	404,436	103,795	508,231
Net Operating Income	\$ (74,778)	\$ (622)	\$ (75,399)	\$ 173,034	\$ 97,635
Interest During Construction	(1,749)	1,749 [i]	0	0	0
Interest on Debt	4,182	38,125 [j]	42,307	0	42,307
Net Income	\$ (77,210)	\$ (40,496)	\$ (117,706)	\$ 173,034	\$ 55,328



- [a] Revenues are annualized at proposed rates using the average test year customers.
- [b] Uncollectible Accounts are adjusted based on the percentage of uncollectible accounts to revenues in the test year applied to pro forma proposed revenues.
- [c] Salaries, Wages and Benefits are adjusted to annualize as of 12/31/00.
- [d] Regulatory Commission Expense has been adjusted to reflect the cost of the current rate case over 3 years.
- [e] Adjustment for costs associated with moving to monthly billing.
- [f] Depreciation and Amortization Expense are annualized.
- [g] Taxes Other than Income is adjusted for annualized payroll taxes, Utility Commission Taxes, and Gross Receipts Taxes.
- [h] Income Taxes are computed on taxable income at current rates.
- [i] AFUDC is eliminated for rate making purposes.
- [j] Interest on Debt has been computed using a 50.02% / 49.98% debt / equity ratio and a 8.62% cost of debt.

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	\$ (64,005)	(5,321)	\$ (69,325)	178,467	\$ 109,142
Gross Plant In Service	\$ 3,067,547		\$ 3,067,547	0	\$ 3,067,547
Accumulated Depreciation	(229,884)		(229,884)	0	(229,884)
Net Plant In Service	2,837,663	0	2,837,663	0	2,837,663
Cash Working Capital	54,640	4,419 [a]	59,059	0	59,059
Contributions In Aid of Construction	(1,719,531)	0	(1,719,531)	0	(1,719,531)
Accumulated Deferred Income Taxes	(154,905)	0	(154,905)	0	(154,905)
Customer Deposits	(23,294)	0	(23,294)	0	(23,294)
Plant Acquisition Adjustment	0	0	0	0	0
Water Service Corporation	13,397	0	13,397	0	13,397
Pro Forma Plant	0	87,353 [b]	87,353	0	87,353
Total Rate Base	\$ 1,007,970	\$ 91,772	\$ 1,099,742	\$ 0	\$ 1,099,742
Return on Rate Base	-6.35%		-6.30%		9.92%

[a] Working Capital is calculated based on pro forma expenses.

[b] Pro Forma Plant is adjusted for planned additional capital investments.

[c] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	10,773	(4,699)	6,074	5,433	11,507
Gross Plant In Service	\$ 374,286		374,286	0	374,286
Accumulated Depreciation	(29,066)		(29,066)	0	(29,066)
Net Plant In Service	345,220	0	345,220	0	345,220
Cash Working Capital	2,830	261 [a]	3,091	0	3,091
Contributions In Aid of Construction	(220,380)	0	(220,380)	0	(220,380)
Accumulated Deferred Income Taxes	(9,155)	0	(9,155)	0	(9,155)
Customer Deposits	(1,377)	0	(1,377)	0	(1,377)
Plant Acquisition Adjustment	0	0	0	0	0
Water Service Corporation	791	0	791	0	791
Pro Forma Plant	0	0	0	0	0
Total Rate Base	\$ 117,929	\$ 261	\$ 118,190	\$ 0	\$ 118,190
Return on Rate Base	9.13%		5.14%		9.74%

[a] Working Capital is calculated based on pro forma expenses.

[b] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

Plant by Categories:

12/31/00

3011001	ORGANIZATION	\$ 6,000
3033020	LAND & LAND RIGHTS (Pump Plt)	0
3036010	LAND & LAND RIGHTS	2,150
3043011	STRUCTURES & IMPROVE.(Sourc Sup)	0
3043021	STRUCTURES & IMPROVE.(PUMP.PLT.)	30,800
3044031	STRUCTURES & IMPROVE.(WTR. T.P.)	2,202
3072014	WELLS & SPRINGS	38,241
3113025	ELECTRIC PUMPING EQUIPMENT	22,234
3204032	WATER TREATMENT EQUIPMENT	57,490
3305042	DISTRIB. RESERVOIRS & STANDPIPES	44,882
3315043	TRANSMISSION & DISTRIB. MAINS	138,888
3335045	SERVICE LINES	13,038
3345046	METERS	8,365
3345047	METER INSTALLATIONS	2,631
3355048	HYDRANTS	0
3391088	UNIFORMS	40
3406090	OFFICE STRUCTURES & IMPROVEMENT	904
3406091	OFFICE FURNITURE & EQUIPMENT	1,132
3446095	LABORATORY EQUIPMENT	959
3466094	TOOLS, SHOP & MISC. EQUIPMENT	1,616
3466097	COMMUNICATION EQUIPMENT	7
	Sub-Total	\$ 371,578
3917000	Transportation	2,642
3406010	Mainframe Computer	66
	Total Plant	\$ 374,286

	Per Books	Pro Forma Adjustments	As Adjusted	Proposed Increase	Effect of Proposed Increase
Net Operating Income	(74,778)	(622)	(75,399)	173,034	97,635
Gross Plant In Service	\$ 2,693,261		2,693,261	0	2,693,261
Accumulated Depreciation	(200,818)		(200,818)	0	(200,818)
Net Plant In Service	2,492,444	0	2,492,444	0	2,492,444
Cash Working Capital	51,810	4,158 [a]	55,968	0	55,968
Contributions In Aid of Construction	(1,499,151)	0	(1,499,151)	0	(1,499,151)
Accumulated Deferred Income Taxes	(145,750)	0	(145,750)	0	(145,750)
Customer Deposits	(21,917)	0	(21,917)	0	(21,917)
Plant Acquisition Adjustment	0	0	0	0	0
Water Service Corporation	12,606	0	12,606	0	12,606
Pro Forma Plant	0	87,353 [b]	87,353	0	87,353
Total Rate Base	\$ 890,041	\$ 91,511	\$ 981,552	\$ 0	\$ 981,552
Return on Rate Base	-8.40%		-7.68%		9.95%

[a] Working Capital is calculated based on pro forma expenses.

[b] Pro Forma Plant is adjusted for planned additional capital investments.

[c] The Return on Rate Base shown above is provided solely as a matter of information and convenience for the Commission and is not intended to reflect a request for this specific return on rate base (or any return on equity). Applicant will make its request for a return on rate base (and return on equity) by way of evidence to be introduced at hearing.

Plant by Categories: 12/31/00

3391088	UNIFORMS	\$ 638
3406090	OFFICE STRUCTURES & IMPROVEMENT	14,392
3406091	OFFICE FURNITURE & EQUIPMENT	18,025
3446095	LABORATORY EQUIPMENT	15,271
3466094	TOOLS, SHOP & MISC. EQUIPMENT	25,727
3466097	COMMUNICATION EQUIPMENT	114
	Sub-Total	\$ 74,167
3537002	LAND & LAND RIGHTS	17,287
3542011	LIFT STATION	153,013
3547003	BUILDINGS & STRUCTURES	20,778
3547012	SPRAY IRRIGATION FACILITIES	1,295
3602006	SEWAGE SERVICE LINES	192,203
3602007	FORCE OR VACUUM MAINS	984
3612008	SEWER MAINS	710,804
3612010	MANHOLES	216,847
3804004	SEWER LAGOONS	42,261
3804005	SEWAGE TREATMENT PLANT	1,220,508
3917000	Transportation	42,059
3406010	Mainframe Computer	1,056
	Total Plant	\$ 2,693,261

UNITED UTILITY COMPANIES, INC.  
Depreciation Expense

W/P [f]

	Water	Sewer
Gross Plant	\$ 374,286	\$ 2,693,261
Add:		
Pro Forma Projects	-	87,353
Less:		
Land	(2,150)	(17,287)
Vehicles	(2,642)	(42,059)
PAA	-	-
AIA	-	-
Net	\$ 369,494	\$ 2,721,268
Plant Depr. @ 1.50%	\$ 5,542	\$ 40,819
Vehicles	2,642	42,059
Vehicle Depr. @ 25.00%	\$ 661	\$ 10,515
Total Depreciation	<u>\$ 6,203</u>	<u>\$ 51,334</u>
CIAC	(241,828)	(1,641,042)
Amortization @ 1.50%	<u>\$ (3,627)</u>	<u>\$ (24,616)</u>

System	Project Description	Costs to Date	Additional Cost to Complete	Total Cost of Project	Water	Sewer	Estimated Date of Completion
Chamberbert Forest Briarcreek Highland Forest	4 New Digestors	0	45,000	\$ 45,000		45,000	Dec-01
All Subs	Portable Generator	24,389	17,964	\$ 42,353		42,353	Dec-01
<b>Total</b>		<b>24,389</b>	<b>62,964</b>	<b>87,353</b>	<b>0</b>	<b>87,353</b>	

UNITED UTILITY COMPANIES, INC.  
Consumption Analysis 1/1/00 - 12/31/00  
TEST YEAR / PRESENT REVENUES

Schedule D

**WATER**

<u>Bill code</u>		<u>Gallorage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>BFC</u>	<u>Revenues</u>
<u>All Subs:</u>						
70001	All Meters	7,018,753	\$3.50	1,006	\$ 9.00	\$ 33,620
	Total	<u>7,018,753</u>		<u>1,006</u>		<u>\$ 33,620</u>

per t/b	\$	34,212
difference \$	\$	(592)
difference %		-1.73%

**SEWER**

<u>Bill code</u>		<u>Gallorage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>Rate</u>	<u>Revenues</u>
<u>All Subs:</u>						
70021	Residential			6,603	\$ 29.00	\$ 191,487
70022	Mobile Homes			1,756	\$ 21.75	\$ 38,183
70024	Sewer Collection			3,462	\$ 15.00	\$ 51,930
72321	Sewer Collection			3,389	\$ 15.00	\$ 50,835
	Total			<u>15,210</u>		<u>\$ 332,435</u>

per t/b	\$	326,071
difference \$	\$	6,363
difference %		1.95%

UNITED UTILITY COMPANIES, INC.  
PROPOSED REVENUES

Schedule E

**WATER**

<u>Bill code</u>		<u>Gallonage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>BFC</u>	<u>Revenues</u>
<u>All Subs:</u>						
70001	All Meters	7,018,753	\$4.50	1,006	\$ 11.50	\$ 43,150
	Total	<u>7,018,753</u>		<u>1,006</u>		<u>\$ 43,150</u>

Difference	\$ 9,530
% Increase	27.86%

**SEWER**

<u>Bill code</u>		<u>Gallonage</u>	<u>Usage Charge</u>	<u>Units</u>	<u>Rate</u>	<u>Revenues</u>
<u>All Subs:</u>						
				<u>Units</u>	<u>Rate</u>	<u>Revenues</u>
70021	Residential			6,603	53.50	\$ 353,261
70022	Mobile Homes			1,756	40.00	\$ 70,221
70024	Sewer Collection			3,462	27.50	\$ 95,205
72321	Sewer Collection			3,389	27.50	\$ 93,198
	Total			<u>15,210</u>		<u>\$ 611,885</u>



UNITED UTILITY COMPANIES, INC.

Schedule F

	<u>Current Customers</u>	<u>Projected Customers</u>
Water	88	88
Sewer	1,402	1,422



June 1, 2001

2600 Bull Street  
Columbia, SC 29201-1708

COMMISSIONER:  
Douglas E. Bryant

BOARD:  
Bradford W. Wyche  
Chairman

William M. Hull, Jr., MD  
Vice Chairman

Mark B. Kent  
Secretary

Howard L. Brilliant, MD

Brian K. Smith

Louisiana W. Wright

Larry R. Chewning, Jr., DMD

Mr. John M.S. Hoefer  
Willoughby & Hoefer, P.A.  
P O Box 8416  
Columbia SC 29202-8416

RE: United Utility Companies, Inc.  
Public Service Commission Request

Dear Mr. Hoefer:

Regarding wastewater treatment facilities, the following have the permits they need to operate:

Briarcreek S/D #I (SC0023736), 0.023 MGD  
Briarcreek S/D #II (SC0026409), 0.020 MGD  
Chambert Forest S/D (SC0024716), 0.030 MGD  
Highland Forest S/D (SC0034444), 0.075 MGD  
Cantebury S/D (SC0028941), 0.080 MGD  
Fairwoods S/D (SC0035041), 0.065 MGD  
Trollingwood S/D (SC0026611), 0.100 MGD  
Valleybrook S/D (SC0028673), 0.060 MGD

The following would not have a wastewater discharge permit, per se, since the treatment is provided by another entity, but have been permitted to operate:

River Forest  
Stonecreek  
The Village/The Shoals

This letter does not address the specific compliance status of each facility. Questions on the status of compliance should be directed to Robin Foy, Manager, Water Pollution Enforcement Section.

Regarding public drinking water systems, these have the permits they need:

Kingswood (2350011)  
Woodmont Estates (2350013)  
Trollingwood (2350010)

This letter does not address the specific compliance status of each facility. Questions on the status of compliance should be directed to Nelson Roberts, Drinking Water Enforcement Section.

If I can be of further assistance in this matter, please contact me at 898-4157.

Sincerely,

Jeffrey P. deBessonnet, P.E., Director  
Water Facilities Permitting Division

jpd

cc: Nelson Roberts  
Robin Foy  
Charles Creech, PSC

UNITED UTILITY COMPANIES INC  
PO BOX 4539  
WEST COLUMBIA SC 29171-4539



Acct # 716 [REDACTED]  
Due Date 05/27/01  
Please Pay \$58.00 AUTO DEDUCTION

UNITED UTILITY COMPANIES INC  
PO BOX 4539  
WEST COLUMBIA SC 29171-4539

Please return this portion with your payment.

Customer Service Information Please Retain for Your Records  
Remittance Address: UNITED UTILITY COMPANIES INC For Service or Billing Inquires:  
PO BOX 4539 1-800-367-4314  
WEST COLUMBIA SC 29171-4539

Account Information		Description of Charges	
Account #	716 [REDACTED]	PRIOR BALANCE	\$0.00
Service Addr.	[REDACTED]	WASTEWATER TREATMENT	\$58.00
Bill Date	05/02/01	Due Date	05/27/01
Prior Read	03/01/01		0
Current Read	04/30/01		0
Usage			0
# of days this period	60		
Average daily usage	0		
Average daily water cost	\$0.00		
Average daily sewer cost	\$0.97		
Last Payment	03/26/01		\$58.00

1 1/2% PER MONTH WILL BE ADDED TO ALL  
AMOUNTS NOT PAID BY THE DUE DATE.

AUTOMATIC DEDUCTION AMT \$58.00

\*\*\*\*\*  
\* IF YOU ARE NOT ALREADY ENROLLED IN OUR AUTOMATIC \*  
\* BILL PAYMENT PROGRAM, YOU CAN SAVE TIME AND MONEY BY JOINING NOW. \*  
\* \* \*

We can automatically deduct your payment from your checking or  
savings account FREE OF CHARGE. If you would like information  
concerning the automatic bill payment program, please call the  
Customer Service Department at the number listed above.  
\* \* \*